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S E C R E T SECTION 01 OF 02 ADDIS ABABA 001347

NOFORN SIPDIS

E.O. 12958: DECL: 06/10/2019 TAGS: <u>PREL PGOV ASEC ECON ET</u>

SUBJECT: RECALIBRATING OUR RELATIONSHIP WITH ETHIOPIA

REF: A. 2008 ADDIS 1674

¶B. ADDIS 975

¶C. ADDIS 379

1D. 2008 ADDIS 2325

1E. ADDIS 1200

1F. 2008 ADDIS 2262

¶G. ADDIS 594

Classified By: Ambassador Donald Yamamoto for reasons 1.4 (B) and (D).

## BACKGROUND TO A CRISIS

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- ¶1. (S/NF) The Ethiopian Government's (GoE) growing authoritarianism (Ref. A), intolerance of dissent, and ideological dominance over the economy since 2005 pose a serious threat to domestic stability and U.S. interests. GoE has come to believe its own anxieties about a fundamental shift in U.S. policy against it. This self-induced crisis of confidence has exacerbated the GoE's natural tendency of government control over politics, the economy and personal freedoms. To pre-empt retaliation, the GoE has increasingly purged ethnic Oromos, Amharas, and others perceived as not supporting the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) from the military (Ref. B), civil service (Ref. C), and security services. Such moves only add to the already growing deep public frustration and have led to a vicious cycle. The public is increasingly upset over double digit inflation (Ref. D), anxiety over their economic future (Ref. E), the GoE's denial of the drought (Ref. F), growing public inability to feed their families, and narrowing of political space highlighted by the prominent arrest of opposition leader, Birtukan Midekssa (Ref. G).
- 12. (S/NF) Without significant policy reform to liberalize the economy and allow mounting political dissent to be vented, the national elections in 2010, another season of failed rains, increasing inflation, or a terrorist attack could spark major civil unrest. The United States can induce such a change, but we must act decisively, laying out explicitly our concerns and urging swift action. Because the GoE has enjoyed only growing international assistance and recognition despite its recent record, it currently has no incentive to veer from the current trajectory to which the EPRDF is so committed. If we are to move the GoE, we must be willing to use USG resources ) diplomatic, development, and public recognition ) to shift the EPRDF's incentives away from the status quo trajectory.

PROPOSED REMEDIES AND APPROACHES

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13. (S/NF) For USG leadership in moving the GoE to be

successful, we need firm backing from the interagency and the willingness of senior officials to engage. We need to reassure the Ethiopians that we value, and look forward to continuing and expanding, our partnership in pursuit of our mutual national interests. We need to reaffirm our recognition of their contributions to our shared cooperation on special projects and information sharing. If we are to move them, though, we need to deliver an explicit and direct (yet private) message that does not glad-hand them. We must convey forcefully that we are not convinced by their rhetoric, but rather that we see their actions for what they are, and that we see their actions as potentially destabilizing and undercutting Ethiopia's own interests. We should then explicitly allay their anxiety by affirming that we value what they have done in terms of economic growth and institution building since 1991 in turning Ethiopia around, that we are not trying to promote regime change, and that we are delivering a similarly explicit message of the need for change to opposition groups.

14. (S/NF) After delivering such a message, I recommend that we invite the GoE and EPRDF leadership to Washington for senior level bilateral meetings to convey a unified USG message, and repeat this process annually. To support this effort, we must review our assistance program and security relations to fit our interests in the country. We should be prepared to expand, contract, or even suspend activities across USG agencies to induce and/or support GoE reforms without reserving any "sacred cows." As the GoE is well versed in playing one USG agency off another, interagency buy-in and coordination of message is vital to our success.

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## FINAL NOTE

¶5. (S/NF) Prime Minister Meles is universally considered a brilliant thinker. Meles truly believes in reform and democratic values, but, like others in the EPRDF, he has a specific perspective on what each looks like and is confident that the party's approach is the exclusive path to a prosperous future for Ethiopia. Bold U.S. leadership is necessary now if we are to push Ethiopia onto a more positive trajectory.

YAMAMOTO